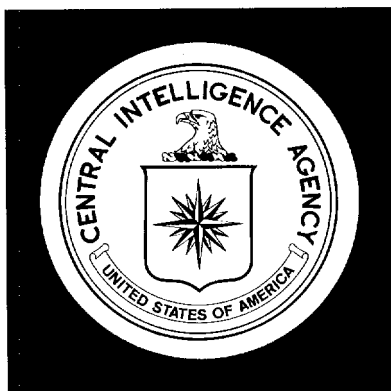


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OAS: The Third OAS General Assembly, before closing on 15 April, created a special committee to consider major reforms of the inter-American system. The Cuban question was raised indirectly, but was effectively defused by a compromise resolution. The assembly also passed resolutions--with the US abstaining--criticizing multinational companies and US plans to sell mineral stockpiles.

The debate during the assembly indicated that the special committee will be split over the issue of radical versus moderate reforms. A movement to exclude the US from the OAS is unlikely, but a permanent Latin-only suborganization may be proposed as a vehicle for developing unified Latin American positions when dealing with the US. One approach may be through the expansion of the Special Latin American Coordinating Commission (CECLA).

The committee will probably also discuss bringing Cuba back into the inter-American system. Regardless of its deliberations, however, several governments that oppose the sanctions policy are likely to go ahead with recognition.

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ETHIOPIA-SOMALIA: The border area remains tense, but neither side appears anxious for a fight.

There have been a few incidents in recent weeks, including a brief incursion into Ethiopia by a small Somali police unit. The Somalis have accused the Ethiopians of similar incursions as well as reconnaissance flights over the border area. Patrolling of the poorly defined border by both countries and the mutual increases in troop strength in the area heighten chances for more incidents that could flare into major fighting.

Neither country appears to be planning an early attack, however. Both Addis Ababa and Mogadiscio are preoccupied with troublesome domestic problems. They have labeled their military moves defensive. According to the Somali defense minister, Somali troops have been ordered to avoid contact with Ethiopian forces. The Ethiopians appear to have been issued similar instructions.

An acrimonious exchange between the two traditional enemies could occur at the OAU summit scheduled for Addis Ababa next month. Somalia intends to raise its long-standing claims to Somali-inhabited parts of Ethiopian territory. Mogadiscio is trying to line up backing for its position and has dispatched a high-level mission to several African countries. Ethiopia clearly wants to prevent the issue from being raised at the summit, and it also is attempting to round up support. The OAU policy of maintaining existing boundaries limits chances for Somali success, but the issue could prove embarrassing for Ethiopia.

Pressure on the US from both Addis Ababa and Mogadiscio will probably increase. The Ethiopians are likely to step up requests for additional US military assistance. Somali President Siad told

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the US Ambassador on 12 April that many Somalis believe their differences with Ethiopia have been aggravated by US military assistance to the Addis Ababa government, and he asked for US help in reducing the current tensions. [REDACTED]

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WORLD TRADE: The Organization for Economic Cooperation and Development (OECD) is forecasting rapid trade growth, as well as continuing real economic growth, in the industrialized nations for 1973 and the first half of 1974. Trade will expand at the most rapid rate since World War II, according to the estimate, and import growth in Western Europe and Japan will help reduce the US trade deficit by \$1 billion in 1973. The secretariat of the inter-governmental association expects that the effects of the 1971 Smithsonian realignment will contribute to the improved US trade balance, although they will be partly offset by the initial effects of the 1973 exchange rate adjustments. Estimated combined real growth for the major OECD countries will exceed 6.5 percent for 1973, with Japan growing the fastest and the UK the slowest. Inflation, however, is also expected to accelerate, with OECD area prices rising by more than 5 percent. Early 1973 price information suggests that this estimate may be too low. Past OECD estimates have had a mixed record, but the OECD is still widely respected for its forecasting expertise.

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TUNISIA: President Bourguiba's decision to seek a fourth term will widen his rift with the disaffected liberals of the governing Destourian Socialist Party (PSD).

Bourguiba proposed at a meeting with members of the National Assembly on 12 April to amend the constitutional provision limiting a president to three terms. Bourguiba then announced he would be a candidate for president in 1974, when his third term expires. He also modified his proposed constitutional amendment in order to allow the president to dissolve the assembly and call new elections if two thirds of the deputies approved a censure motion against the government.

Bourguiba again criticized former prime minister Bahi Ladgham's handling of the case of former economic minister Ben Salah, who was convicted of treason in 1970 following the failure of an unpopular collectivization program. Bourguiba also attacked other politicians and talked again of his role as the indispensable man in Tunisian politics, a claim that he has been making with increasing stridency.

Bourguiba's decision to alter the constitution for his own personal ends will further antagonize the liberals, whose main grievance has been Bourguiba's strong personal authority. Bourguiba and his conservative PSD supporters were already facing a fight with the liberals in the assembly over Bourguiba's original proposals for constitutional reforms. The reforms provided a limited liberalization of the system of government, but did not satisfy the liberals. Bourguiba's continuing attacks on Ladgham, a leading liberal, and his assertion of his personal authority will reinforce the liberals' determination to fight within the assembly for their own version of the reforms.

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